GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:472
ANSWERED ON:08.05.2007
TRADE WITH SAARC COUNTRIES
Chakraborty Shri Ajay;Singh Shri Dushyant

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the SAARC Summit Conference was held recently;

(b) if so, whether the Government has signed any trade agreement with the SAARC countries;

(c) if so, the details thereof;

(d) the new areas in which trade relations are proposed to be expanded with SAARC countries in the next three years;

(e) whether any target has been fixed to increase trade among SAARC countries;

(f) if so, the details thereof; and

(g) the steps proposed to be taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) Yes, Sir. The Fourteenth SAARC Summit was held in New Delhi on 3-4 April, 2007.

(b) & (c) Agreement on South Asian Free Trade Area (SAFTA) exists, which, after ratification by all SAARC countries, has become operational from 1st July 2006.

(d) Member States of SAARC are currently having discussions on inclusion of Trade in Services within the scope of trade under the Agreement on South Asian Free Trade Area (SAFTA).

(e) No, Sir.

(f) Does not arise.

(g) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (g) OF LOK SABHA STARRED QUESTION NO.472 FOR ANSWER ON 8TH MAY, 2007 REGARDING "TRADE WITH SAARC COUNTRIES" (g) During the Fourteenth SAARC Summit, the SARC Leaders stressed the need to implement SAFTA in letter and spirit and integration of Trade in Services within its scope to realize its full potential. The 14th Summit also underlined the importance of trade facilitation measures and agreed to take concrete steps in reducing Non-Tariff Barriers, harmonization of customs and other procedures to enhance intra regional trade.

During the Fourteenth SAARC Summit, India indicated its readiness to accept asymmetrical responsibilities, including opening her markets to her South Asian neighbours without insisting on reciprocity. India also announced its decision to allow the Least Developed Countries among its South Asian neighbours duty -free access to its markets, excluding the items in the Sensitive List of SAFTA, before the end of the current year and to further reduce the Sensitive List of India under SAFTA for these countries.

The implementation of SAFTA and other measures initiated for its smooth implementation are expected to boost intra-SAARC trade and India's trade with SAARC countries significantly.